



GREG BELL Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

| Representatives Present During the Inspection: | | | | |
|--|-----------|--|--|--|
| Company | Guy Davis | | | |
| OGM | Pete Hess | | | |

Inspection Report

| Permit Number: | C0150009 | | |
|------------------|----------------------------|--|--|
| Inspection Type: | COMPLETE | | |
| Inspection Date: | Monday, November 21, 2011 | | |
| Start Date/Time: | 11/21/2011 11:36:00 AM | | |
| End Date/Time: | 11/21/2011 1:30:00 PM | | |
| Last Inspection: | Monday, September 19, 2011 | | |

Inspector: Pete Hess,

Weather: Mostly cloudy; rain and snow flurries.

InspectionID Report Number: 2931

Types of Operations

Accepted by: jhelfric 11/29/2011

Permitee: ENERGY WEST MINING CO Operator: ENERGY WEST MINING CO

Site: TRAIL MOUNTAIN MINE

Address: PO BOX 310, HUNTINGTON UT 84528

County: EMERY

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

| 3,538.98 | Total Permitted | | |
|----------|-----------------|--|--|
| 10.39 | Total Disturbed | | |
| | Phase I | | |
| | Phase II | | |
| | Phase III | | |

| Mineral | Ownership |
|---------|-----------|
|---------|-----------|

| | . Jp a. aparam. |
|----------------|-----------------|
| ✓ Federal | ✓ Underground |
| ✓ State | Surface |
| County | Loadout |
| ✓ Fee | Processing |
| Other | Reprocessing |

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The site remains in temporary cessation.

Inspector's Signature:

Date Wednesday, Nov



Pete Hess,

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|------|---|-----------|----------------|----------|-------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | | | | |
| 2. | Signs and Markers | ✓ | | | |
| 3. | Topsoil | ✓ | | | |
| 4.a | Hydrologic Balance: Diversions | ✓ | | | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | ✓ | | V | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | ✓ | | | |
| 4.d | Hydrologic Balance: Water Monitoring | ✓ | | ~ | |
| 4.e | Hydrologic Balance: Effluent Limitations | ✓ | | | |
| 5. | Explosives | | ✓ | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | | ✓ | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | V | | | |
| 8. | Noncoal Waste | V | | | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | V | | ✓ | |
| 10. | Slides and Other Damage | | V | | |
| 11. | Contemporaneous Reclamation | | V | | |
| 12. | Backfilling And Grading | | ✓ | | |
| 13. | Revegetation | | V | | |
| 14. | Subsidence Control | ✓ | | ✓ | |
| 15. | Cessation of Operations | | V | | |
| 16.a | Roads: Construction, Maintenance, Surfacing | V | | V | |
| 16.b | Roads: Drainage Controls | ✓ | | | |
| 17. | Other Transportation Facilities | ✓ | | | |
| 18. | Support Facilities, Utility Installations | ✓ | | | |
| 19. | AVS Check | V | | | |
| 20. | Air Quality Permit | ✓ | | | |
| 21. | Bonding and Insurance | V | | | |
| 22. | Other | | | | |

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4.b Hydrologic Balance: Sediment Ponds and Impoundments

The 3rd Quarter 2011 impoundment inspection for the Ttrail Mountain Mine site sediment pond was conducted on September 20, 2011 by Mr. John Christensen, Utah P.E. There were no signs of unstable conditions or structural weakness for the incised pond. It was noted that the pond contains 0.03 AF of sediment storage capacity. Mr. Davis indicated he would discuss this with Mr. Christensen (cleanout of the pond). The pond was last cleaned during the 4th Quarter of 2005.

4.d Hydrologic Balance: Water Monitoring

Cottonwood Creek above the mine facility continued to have a small amount of flow. There was no flow in the west channel.

9. Protection of Fish, Wildlife and Related Environmental Issues

There was no wildlife observed inside the mine perimeter.

14. Subsidence Control

Mining activities were ceased in 2001; the Permittee submits annual data as part of the Annual Report.

16.a Roads: Construction, Maintenance, Surfacing

A large erosion gully has developed up gradient of the sediment pond. The Permittee was instructed to re-grade the area and install at least one diversion berm across the area to send runoff from the portal bench slope road across the area to the concrete lined ditch to correct the problem. Mr. Davis indicated he would take action to address the damage.